



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

August 5, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE CONTRACT FROM THE CALIFORNIA DEPARTMENT OF EDUCATION
AND
ENDORSE THE 2008-09 MEMBERSHIP SLATE OF THE
CHILD CARE PLANNING COMMITTEE
(ALL DISTRICTS) (3-VOTES)**

SUBJECT

Approve the annual contract from the California Department of Education for local planning councils, which support the work of the Los Angeles County Child Care Planning Committee (Planning Committee) and the Policy Roundtable for Child Care. Endorse the membership slate of the Planning Committee for 2008-09, which has been endorsed by the Los Angeles County Superintendent of Public Schools.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chair to sign both copies of the attached contract (Attachments A and B) with the California Department of Education/Child Development Division (CDE/CDD) in the amount of \$353,199 for the period beginning July 1, 2008 through June 30, 2009. These funds will support ongoing local child care planning efforts of the County of Los Angeles Child Care Planning Committee (Planning Committee).
2. Adopt the attached resolution (Attachment C) to authorize the Chief Executive Officer, or his designee, to act as the agent for the County to execute the Federal Certifications (Attachment D) regarding lobbying, debarment, suspension, and a drug-free workplace, as well as any amendments that may be deemed necessary to implement this contract.
3. Authorize the Planning Committee, with staff support from the Office of Child Care (OCC), within the Service Integration Branch of the Chief Executive Office (CEO), to implement the contract.

"To Enrich Lives Through Effective And Caring Service"

**Please Conserve Paper – This Document and Copies are Two-Sided
Intra-County Correspondence Sent Electronically Only**

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

4. Approve and instruct the Chairman to sign the Certification Statement Regarding Composition of Local Planning Council Membership roster (Attachment E), which is the Child Care Planning Committee membership slate for the 2008-09 program year.

PURPOSE /JUSTIFICATION OF RECOMMENDED ACTION

Acceptance of this contract will support the ongoing implementation of local child care planning activities mandated in the California Education Code, Sections 8499-8499.7. This Section of the Education Code mandates that local child care and development planning councils provide a forum for the identification of local priorities for child care services and the development of policies to meet these needs.

In addition, the Education Code requires that the County Superintendent of Schools and the Board appoint the Planning Committee members from five categories, and that each category account for 20 percent of the total membership. These categories are:

1. Persons who are currently using child care and development services or have used them in the past 36 months.
2. Child care providers, including licensed family child care, licensed child care centers, and license-exempt child care providers.
3. Public agency representatives.
4. Community representatives who do not hold contracts with the California Department of Education to provide child care and development services.
5. Discretionary appointments.

The membership roster includes a nominee from each Board office, meets the requirements of the Education Code, and has been approved by the Planning Committee and endorsed by the County Superintendent of Schools.

Formal approval of the Planning Committee contract and membership are required to comply with the Education Code, to seat new members, and to secure funding to support the ongoing work of the Planning Committee.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The work of the Planning Committee positively impacts achievement of Goal 5 of the County's Strategic Plan: Children and Families' Well-Being. This work includes efforts to increase the capacity of and access to quality child care, and to improve the quality of the early childhood workforce help to ensure the healthy development of children and the economic self-sufficiency of families. The members of the Planning Committee represent the ethnic, programmatic, and geographic diversity of the County of Los Angeles. The Planning Committee is an effective conduit for information between CDE/CDD and service providers in the County, promotes a

Countywide perspective on child care services, and plays a unique role in providing leadership on these issues.

FISCAL IMPACT/FINANCING

Approval of this CDE contract will provide \$353,199 to fund the operations of the Planning Committee, including salaries and employee benefits for staff in the OCC, consultant services, equipment, materials development, printing and distribution, and travel and training. Planning Committee members serve as uncompensated volunteers. Parent representatives who incur child care costs in order to participate in Planning Committee meetings receive a stipend, which does not exceed \$35 per meeting. Similarly, members who are licensed family child care providers and incur substitute caregiver costs in order to participate in monthly meetings are eligible for a stipend, which does not exceed \$50 per meeting.

This contract has a maximum reimbursable amount of \$353,199, and includes a Maintenance of Effort requirement (net County cost) of \$64,000. Funding is included in the CEO Fiscal Year 2008-09 Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Planning Committee has been operating under contract with CDE since 1995. The Education Code defines a number of specific tasks for local child care planning councils to address, including to:

- Operate within the parameters of the Education Code, including the appointment of members by the Board and the County Superintendent of Schools.
 - The Planning Committee began recruiting new members in March 2008. Applications were distributed to all school districts within the County; individuals on the Planning Committee's mailing list; individuals on the Planning Committee's contact lists; attendees at monthly Committee meetings; and through outreach efforts of individual members. In addition, the application for membership was posted on the OCC web site.
 - The membership roster reflects the Committee's efforts to arrive at a body which represents the geographic, programmatic, ethnic, and cultural diversity of the County, while also complying with the mandates of the Education Code. The membership includes individuals nominated by Board offices and a representative of the County Superintendent of Schools, as well as representatives from Los Angeles County Departments of Children and Family Services and Public Social Services.
- Conduct a Countywide child care needs assessment at least once every five years.
 - The Planning Committee submitted an updated needs assessment report to your Board in July 2008. Child care supply data has been updated on the interactive web site <https://gismap.co.la.ca.us>.

- Prepare a comprehensive County plan to address the needs identified in the needs assessment.
 - The Planning Committee developed, "Forging the Future: County of Los Angeles Strategic Plan for Child Care and Development 2003-2013." This Strategic Plan was approved by your Board in September 2003, and endorsed by the Superintendent of Schools in March 2004. The Plan was revised and approved by your Board in January 2008.
- Design a system to consolidate the waiting lists of local CDE/CDD-funded child development programs.
 - The Planning Committee implemented the County of Los Angeles Centralized Eligibility List (LACEL), which is administered by OCC. The LACEL database currently contains approximately 46,000 child records, and is used by more than 150 CDE/CDD-funded contractors. Training and technical assistance for all of the required users is ongoing.

IMPACT ON CURRENT SERVICES

The mission of the Planning Committee is to engage parents, child care providers, allied organizations, the community, and public agencies in collaborative planning efforts to improve the overall child care infrastructure of Los Angeles County, including the quality, continuity, affordability, and accessibility of child care and development services for all families. In addition, the Planning Committee, with staff support from OCC, is overseeing the AB 212 - Investing in Early Educators Program. This program provides cash stipends to persons who are completing additional college level coursework while working directly with children at least 20 hours per week in CDE/CDD-funded child development centers. Since spring 2002, more than 12,000 stipends have been awarded, totaling more than \$19 million.

To advance its mission in the coming year, the Planning Committee will:

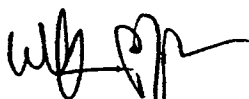
- Support the development of quality standards and promote assistance toward meeting and maintaining quality in child development services;
- Assist the OCC in implementing Cycle 10 of the AB 212 - Investing in Early Educators Program, and conduct an evaluation of the impact of the program;
- Implement recommendations of the Economic Impact Report of Child Care and Development for Los Angeles County;
- Enhance the use and function of the LACEL; and
- Continue to facilitate the expansion of child development services to children with disabilities or other special needs.

CONCLUSION

Two signed copies (original signatures are required) of the contract (Attachments A and B) and the signed resolution (Attachment C); a signed Federal Certifications form (Attachment D); and two signed copies (original signatures are required) of the Certification Statement Regarding Composition of LPC Membership (Attachment E) should be returned to:

- Chief Executive Office, Service Integration Branch, Office of Child Care, 222 South Hill Street, 5th Floor, Los Angeles, California 90012. Copies will be forwarded to CDE/CDD, as required.

Respectfully submitted,



WILLIAM T FUJOKA
Chief Executive Officer



HOLLY REYNOLDS, CHAIR
Child Care Planning Committee

WTF:HM:MS
KH:KMS:LE:gj

Attachments (5)

ATTACHMENT A

**CALIFORNIA DEPARTMENT OF EDUCATION**

1430 N Street

Sacramento, CA 95814-5901

F.Y. 08 - 09**DATE:** July 01, 2008**CONTRACT NUMBER:** CLPC-8019**PROGRAM TYPE:** LOCAL PLANNING COUNCIL**PROJECT NUMBER:** 19-2419-00-8**LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES****CONTRACTOR'S NAME:** LOS ANGELES COUNTY BOARD OF SUPERVISORS

By signing this agreement and returning it to the State, you are agreeing to use the funds identified below for support pertaining to Local Child Care Planning and Development Council (LCCPDC) priorities and activities as they relate to child care and in accordance with the Exhibit B, Local Child Care and Development Planning Council Contract Requirements (available online at <http://www.cde.ca.gov/fg/aa/cdl/>). The contractor's signature also certifies compliance with "Standard Provisions for State Contracts", (Exhibit A) which by this reference is incorporated herein.

Funding of this contract is contingent upon appropriation and availability of funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract. Funding under this agreement cannot be spent for any expenditure prohibited by the Contract Requirements or Title 5, Division 19, California Code of Regulations. The period for which expenditures may be made with these funds shall be from July 1, 2008 through June 30, 2009. Cash and/or in-kind services must be provided by meeting the Match Requirement amount identified below. The Maximum Reimbursable Amount (MRA) payable pursuant to this agreement shall not exceed \$417,199.00.

Expenditures of these funds shall be reported quarterly to the Child Development Fiscal Services Division (CDFS) on Form CDFS-9529 with fiscal quarters ending September 30th, December 31st, March 31st and June 30th. For non-local educational agencies, expenditures for the period July 1, 2008 through June 30, 2009 shall be included in the 2008-2009 audit due the 15th day of the fifth month following the end of the contractor's fiscal year or earlier if specified by CDE. The audits for School Districts and County Offices shall be submitted in accordance with Education Code Section 41020. The Summary of Activities Report (CD-6002), Expenditure Report (CD-6003), Certification Statement Regarding Composition of LPC Membership (CD-3020), and Revenue & Expenditure Report (CDFS/CD-9529) must all be completed and submitted in accordance with Exhibit B, Local Child Care and Development Planning Council Contract Requirements. Failure to submit these reports in a timely manner will result in a billing of the full amount of the contract.

SERVICE REQUIREMENTS: Match Requirement \$64,000.00

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract. Exhibit A, Standard Provisions for State Contracts attached.

STATE OF CALIFORNIA		CONTRACTOR			
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)			
PRINTED NAME OF PERSON SIGNING Margie Burke		PRINTED NAME AND TITLE OF PERSON SIGNING YVONNE B. BURKE, CHAIR			
TITLE Manager, Contracts & Purchasing Svcs		ADDRESS			
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 353,199	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs		FUND TITLE		Department of General Services use only
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	(OPTIONAL USE) See Attached				
TOTAL AMOUNT ENCUMBERED TO DATE \$ 353,199	ITEM See Attached	CHAPTER	STATUTE	FISCAL YEAR	
OBJECT OF EXPENDITURE (CODE AND TITLE) 702					
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.		
SIGNATURE OF ACCOUNTING OFFICER See Attached		DATE			

CONTRACTOR'S NAME: LOS ANGELES COUNTY BOARD OF SUPERVISORS

CONTRACT NUMBER: CLPC-8019

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 327,041	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs		FUND TITLE Federal	
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 13946-2419		FC# 93.575 PC# 000326	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 327,041	ITEM 30.10.020.920 6100-196-0890	CHAPTER B/A	STATUTE 2008	FISCAL YEAR 2008-2009
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5055 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 26,158	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs		FUND TITLE General	
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 24771-2419			
TOTAL AMOUNT ENCUMBERED TO DATE \$ 26,158	ITEM 30.10.020.920 6100-196-0001	CHAPTER B/A	STATUTE 2008	FISCAL YEAR 2008-2009
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6045 Rev-8590			

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.	T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER	DATE	

STANDARD PROVISIONS FOR STATE CONTRACTS

1. The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
2. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
3. The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
4. This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
5. Time is of the essence in this Agreement.
6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
7. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
8. Contractors entering into a contract funded wholly or in part with funds from the United States Government agree to amendments in funding to reflect any reductions in funds if the Congress does not appropriate sufficient funds. In addition, the contract is subject to any restrictions, limitations or enactments of congress which affect the provisions, terms or funding of this agreement in any manner. The State shall have the option to terminate the contract without cost to the State in the event that Congress does not appropriate funds or a United States agency withholds or fails to allocate funds.

Contractor Certification Clauses

The authorized signer of this Contract CERTIFIES UNDER PENALTY OF PERJURY that he/she are duly authorized to legally bind the Contractor to the clauses(s) listed below. This certification is made under the laws of the State of California.

1. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (*Government Code* Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (*California Code of Regulations*, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing *Government Code* Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the *California Code of Regulations*, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. (Not applicable to public entities.)

EXHIBIT B

**LOCAL CHILD CARE AND DEVELOPMENT
PLANNING COUNCIL
PROGRAM**

CLPC

CONTRACT REQUIREMENTS

July 1, 2008 – June 30, 2009

LOCAL CHILD CARE AND DEVELOPMENT PLANNING COUNCIL PROGRAM
Fiscal Year 2008-09

These are the requirements for fiscal year 2008-09. Each contractor is required, as a condition of its contract with the California Department of Education (CDE), Child Development Division (CDD), to adhere to these requirements, and any other requirements incorporated into the contract, in addition to all other applicable laws and regulations. Any variance from this contract, the requirements, laws or regulations could be considered a noncompliance issue and subject the contractor to possible termination of the contract.

Any change of these requirements that are binding on the State and the contractor must be in writing, in advance, from the CDE in the form of a formal contract amendment. Any interpretation of the requirements must be in writing from the CDE and signed by the director of the CDD.

Contractors may adopt any reasonable policies relating to the program that are not in conflict with law, regulations or the terms of this contract. Those potentially affected shall be duly notified and due process, if applicable, shall be assured.

Child Care and Development Contracts are funded with state general funds, federal funds, or a combination of funds. The funding amounts are listed on the contract encumbrance page.

This contract may be fully or partially funded through a grant from the federal Department of Health and Human Services and subject to *Code of Federal Regulations (CFR)* 45, Parts 98 and 99, the Child Care and Development Block Grant Act of 1990, as amended, and Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 USC 9858. If the Catalogue of Federal Domestic Assistance (CFDA) number is 93596 (shown as FC# in the funding block), the fund title is Child Care Mandatory and Matching Funds of the Child Care and Development Fund. If the CFDA number is 93575, the fund title is Child Care and Development Block Grant subject to the Child Care and Development Block Grant Act of 1990, the Omnibus Budget Reconciliation Act of 1990, Section 5082, Public Law 101-508, as amended, Section 658J and 658S, and Public Law 102-586.

I. DEFINITIONS

"Actual and allowable net costs" means the costs which may be reimbursed under a particular child development contract after disallowed costs and restricted income have been subtracted from total expenditures.

"Additional funds" means award of new contracts or expanded contracts that increase the contractor's level of administrative responsibility. Cost of living adjustments, rate increases and one-time-only supplemental funds (support Contracts) are not considered to be "additional funds."

"Administrative costs" means costs incurred for administrative activities where neither the family, the child nor, if applicable, family child care home service providers directly benefit from the activity.

"Approved indirect cost plan" means that the annual agency audit does not include any management findings regarding the development or the application of the plan.

"Use allowance" means an alternate method for claiming the use of the contractor's assets as a cost when depreciation methods are not used.

II. GENERAL PROVISIONS

A. Notification of Address Change

1. Contractors shall notify the CDD in writing of any change in mailing address for communication regarding the contract (administrative address) within ten (10) calendar days of the address change. For non-public agencies, the notification must be accompanied with:
 - a. Board minutes verifying the change in address; and
 - b. A copy of the notification to the Internal Revenue Service of the address change.
2. Contractors shall notify the CDD in writing of any proposed change in operating facility address(s) at least thirty (30) calendar days in advance of the change unless such change is required by an emergency such as fire, flood or earthquake.
3. For proposed site changes for Prekindergarten and Family Literacy Part- and Full-Day programs, a request must be submitted to the CDD and shall include:
 - a. The name and address of the current program location;
 - b. The name and address of the proposed program location;
 - c. Verification that the proposed program location is within the attendance area of an elementary school with a decile ranking of 1 to 3, inclusive, based on the 2005 base Academic Performance Index; and
 - d. The site license for the proposed program location.

Approval shall be granted upon receipt of documentation confirming that the proposed program location meets the statutory requirements as specified in *Education Code* Section 8238.4(a)(2). The CDD shall approve or deny the request within thirty (30) calendar days of receipt of the request.

B. Notification of E-mail Contact Changes

Contractors shall assure that at all times the e-mail address on file at the CDD is accurate for contacting the following individuals:

1. Executive Officer
2. Program Director

Contractors shall utilize procedures provided by the CDD to electronically add new addresses or delete old addresses, as needed.

terminate the contract at least ninety (90) calendar days prior to the date the contractor intends to terminate the contract. Within fifteen (15) days from the date the contractor notifies the CDD of its intent to terminate the contract, the contractor shall submit:

- a. Current inventory of equipment purchased in whole or in part with contract funds
- b. The names, addresses and telephone numbers of all families served by the contract and all staff members funded by the contract
- c. Contractors shall also submit the names, addresses, and telephone numbers of all providers of subsidized services funded with subcontracts under the contract

Upon receipt of a notice of intent to terminate, the CDD will transfer the program to another agency as soon as practicable.

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with the contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under the contract.

2. Changes in Laws or Regulations

The CDE/CDD shall notify contractors in writing of changes in laws or regulations prior to the effective date or as soon as possible after enactment. If any laws or regulations are changed substantially during the contract period, the contractor shall have the option to discontinue performance and be relieved of all obligations for further performance.

The contractor has thirty (30) calendar days from receipt of notification of pending changes to notify the CDD in writing of the contractor's intent to terminate if the required changes are unacceptable to the contractor. The contract shall be deemed terminated sixty (60) calendar days after receipt of the notification of the intent to terminate.

G. Applicability of *Corporations Code*

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the *Corporations Code* including standards of conduct and management of the organization.

H. Eligibility for Funding

A contractor is not eligible for additional funds, as defined in Section I above, if the contractor has received final notification, as specified in Section VIII.A below, that its contract has been terminated.

1. Prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed.
2. All parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable and costs may be claimed only as depreciation or use allowance. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.

Rental costs for equipment owned by affiliated organizations, officers or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

K. Americans with Disabilities Act

By signing this contract, the contractor assures the CDE that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA .

L. Air or Water Pollution Violations (*Government Code*, Section 4477)

By signing this agreement, the contractor swears under penalty of perjury that the contractor is not:

1. In violation of any order or resolution not subject to review promulgated by the state Air Resources Board or an air pollution control district
2. Subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the *Water Code* for violation of waste discharge requirements or discharge prohibitions
3. Finally determined to be in violation of provisions of federal law relating to air or water pollution

M. Recycled Paper Certification (*Public Contract Code* sections 10233, 10308.5, 10354, 12161 and 12200)

P. Computer Software Copyright Compliance

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state (general) and Federal funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

Q. Priority Hiring Consideration (Public Contract Code 10353)

If the contract includes services in excess of \$200,000, the contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under the *Welfare and Institutions Code* Section 11200.

R. Labor Code/Workers' Compensation (*Labor Code* Section 3700)

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement.

S. Corporate Qualifications to do Business in California

1. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
2. "Doing business" is defined in *Revenue and Taxation Code (R&TC)* Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
3. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

III. FACILITIES AND EQUIPMENT

A. Depreciation and Use Allowance

Taxes, insurance and maintenance may be claimed as part of actual and allowable costs for buildings or building improvements related to the child development program and equipment necessary for the operation of the program. Within the limits specified below, depreciation or use allowance may also be claimed. Depreciation shall not be claimed on land, donated assets or assets purchased with public funds, on any fully depreciated asset or on idle or

program as long as it has a contract with the CDE/CDD and shall not encumber the property without the prior written approval of the CDD. If the contractor wishes to share the use of real property among multiple programs, the associated reimbursable capital expenditures shall be prorated among the programs according to the benefits received. When the real property is no longer needed for the purpose of any CDD program, the contractor shall request disposition instructions from the CDD, which shall observe one of the following three disposition instructions:

1. The CDD may permit the contractor to retain title without further obligation to the CDD after the contractor compensates the CDD for that percentage of the current fair market value of the property, net of reasonable and necessary selling costs, attributable to the CDD's share of the acquisition cost.
2. The contractor may be directed to sell the property under guidelines provided by the CDD and pay the CDD for that percentage of the current fair market value of the property, net of reasonable and necessary felling and fix-up costs, attributable to the CDD's share of the acquisition cost.
3. The contractor may be directed to transfer title to the property to the CDE or to an eligible third party, provided that, in such cases, the contractor shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

C. Equipment Bidding and Approval Requirements

All equipment purchases in excess of seven thousand five hundred dollars (\$7,500) per item (including tax) shall be approved in writing in advance by the CDD. In determining if an equipment purchase exceeds the threshold, all expenses associated with a purchase that are necessary for it to perform the intended purpose should be included in calculating the purchase cost. Example: A computer system could include, but is not limited to, individual items such as a central processing unit (CPU), computer monitor, computer stand, modems, disk drives, software, printer, etc. or hardware and software to install a local area network (LAN) system.

In addition, the following requirements apply:

1. Private agencies:

All equipment purchases exceeding five thousand dollars (\$5,000 including tax) will not be approved unless at least three (3) bids or estimates have been obtained.

2. Public agencies:

Public agencies shall comply with the applicable sections of the Public Contract Code.

has a contract with the CDE, the contractor shall dispose of the equipment in accordance with written directions from the CDE/CDD.

IV. SUBCONTRACTS

A. Subcontracts Excluded from Requirements of this Section

The following types of relationships are not subject to the requirements contained in Section IV:

1. Employment agreements
2. Facility rental or lease agreements
3. Medical or dental service agreements
4. Bookkeeping/auditing agreements, except for Section IV.B
5. Janitorial and grounds keeping agreements
6. A subcontract with a public agency
7. Subcontracts with an individual for less than ten thousand dollars (\$10,000), except for Section IV.B.

However, no subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

All subcontracts, rental agreements, and other contractual arrangements should include a termination for convenience clause permitting termination of such agreements without cost to the contractor.

B. Bids for Subcontracts

Private contractors shall obtain at least three (3) bids or estimates for subcontracts that exceed five thousand dollars (\$5,000). The subcontract shall be awarded to the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the private contractor shall:

1. Maintain documents in its records that establish the reasons why three (3) bids or estimates could not be obtained
2. The reasonableness of the proposed expenditure without three (3) bids or estimates

Subcontracts subject to the approval of the CDD shall be rebid at least once every three (3) years or more often if specified by the CDD in its annual approval of the subcontract. Public agencies shall award subcontracts in accordance with the *Public Contract Code*. The contractor shall not split subcontracts to avoid competitive bidding requirements. Subcontracts for direct child development services between a public agency contractor and a private subcontractor are exempt from bidding but not from advance approval by the CDD if they are for ten thousand dollars (\$10,000) or more.

Subcontracts for auditing and/or bookkeeping services shall be rebid and changed every five (5) years unless retention of the same auditor is approved by the A&I.

- maximum dollar amount
3. The service(s) to be provided under the subcontract
 4. The responsibilities of each party under the subcontract
 5. That the subcontractor, and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers or employees or agents of the State of California
 6. That modifications of the subcontract shall be in writing, and that for subcontracts in excess of the amount stated in the annual child development contract, prior written CDD approval is required unless the subcontract is otherwise exempt from prior CDD approval
 7. That the subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract
 8. Remedies, in case of a breach of contract, for subcontracts in excess of ten thousand dollars (\$10,000)
 9. That the State of California retains title to any equipment or supplies purchased with State funds and that the equipment shall be returned to the contractor upon termination of the subcontract. The subcontract shall also specify that the subcontractor shall obtain prior written approval from the contractor and the CDD for any unit of equipment that costs in excess of seven thousand five hundred dollars (\$7,500)
 10. That the subcontractor shall be reimbursed for travel and per diem expenses only at rates that do not exceed the rates paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1
 11. That the subcontractor agrees to indemnify and hold harmless the State of California, its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of the subcontract, and from any and all claims and losses occurring or resulting to any person, firm or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract
 12. For management and/or direct service subcontracts, the subcontractor shall maintain records for program review, evaluation, audit and/or other purposes and make the records available to agents of the State for a period of five (5) years
 13. The provisions of the "Nondiscrimination Clause" included in the prime contract as specified in Title 2 California *Code of Regulations*, Chapter 5, Section 8107

E. Recommended Subcontract Provisions

The following items are suggested for inclusion in subcontracts to protect the interests of the contractor:

1. Funding of the subcontract should be made subject to the appropriation and availability of funds from the State.

C. Administrative Costs

Contractors may claim administrative costs as defined in Section I above which are directly related to the provision of child care and development services. Reimbursement of administrative costs shall not exceed fifteen percent (15%) of net reimbursable program costs or actual administrative costs, whichever is less. The fifteen percent (15%) includes any allowance for indirect costs and audits. Contractors shall maintain written documentation of the rationale used in determining direct and administrative costs.

D. Costs for Travel and Per Diem

Contractors and subcontractors shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1. Contractors with collective bargaining agreements allowing higher rates of reimbursement shall not pay the difference out of contract funds. The CDD shall notify the contractor of a change in expense rates within thirty (30) calendar days after the CDD has received notification of a change in rates from the State Department of Personnel Administration.

Contractors shall be reimbursed for out-of-state travel expenses only with prior written approval from the CDD. The CDD shall not approve out-of-state travel expenses:

1. For more than one employee per contract per year
2. For contractors with delinquent accounts payable which are delinquent more than ninety (90) calendar days after the date of the original invoice
3. For contractors on conditional status
4. When there is no clear benefit to the State
5. When the benefit to the State can be obtained within California

The CDD shall approve or deny the request for out-of-state travel within thirty (30) calendar days of the receipt of the request. If the request is denied, the contractor may appeal the decision in accordance with instructions specified in Section X below.

E. Specific Items of Reimbursable Costs

Reimbursable costs include, but are not limited to, the following:

1. Administrative costs as specified in Section V.C above
2. Employee compensation, including fringe benefits, and personal service contracts
3. Equipment and equipment replacement with prior CDD approval if required in Section III.C above
4. Taxes, insurance, and maintenance for building and/or equipment
5. Depreciation based on the useful life of an asset in accordance with Section III.A above.

obligations. However, the cost of the annual independent audit may be claimed either in the contract period which was the subject of the audit or during the contract period in which the audit is completed.

H. Recoupment of Advanced Contract Funds

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount that is recouped shall be the excess payment over the reasonable or fair market value, or one hundred percent (100%) of the cost, if the cost was not necessary. The CDE may elect to recover any costs of recoupment, including collection services or attorney fees.

I. Determination of Reimbursable Amount

Contractors shall be reimbursed for an audited claim that is the least of the following:

1. The maximum reimbursable amount as stated in the annual child development contract
2. The actual and allowable net costs

J. Reduction, Withholding, and Canceling Apportionments to Contractors

The CDE shall reduce, withhold or cancel any scheduled apportionment when one or more of the following conditions exist:

1. The contractor has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The contractor has not submitted the reports required by Section VI below on or before the date due.
3. The contractor will not earn the full contract amount based on the current year projected net reimbursable program costs as determined by the CDFS.
4. A creditor of the contractor has placed a lien on the contractor's scheduled apportionments.
5. The contractor has accounts payable which are:
 - a. more than ninety (90) days delinquent to the CDE; and
 - b. not under appeal as specified in either Section VIII.A or Section X below.

If any apportionment is to be reduced, withheld or cancelled, the CDE shall provide the contractor prior written notice of the intended action.

K. Order of Expenditure

Expenditure from the Child Development Fund established pursuant to Section VI.B below shall occur in the following order:

D. Other Report Data

Contractors shall submit statistical, cost and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements and for the effective administration of child care and development programs.

Contractors submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the contractor to certify the data. The signature may be electronic as specified by the CDE.

Contractors shall submit complete, accurate data to the CDE by the data specified, and as specified, in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required date shall be considered delinquent. Penalties for delinquent reporting are specified in Section V.J. above.

E. Audits and Auditors

Contractors shall submit to the CDE's and Investigations Division (A&I) an acceptable annual financial and compliance audit. All audits shall be performed by:

1. A Certified Public Accountant who possesses a valid license to practice within the State of California
2. A Public Accountant licensed on or before December 31, 1970 and currently certified and licensed by the State of California
3. A member of the CDE's staff of auditors
4. Public agencies may have their audits prepared by in-house auditors if the public contractor has internal audit staff that performs auditing functions and meets the tests of independence found in the Government Auditing Standards issued by the Comptroller General of the United States.

Non-school district contractors shall submit the audit for the 2007-2008 contract periods by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by CDE (audits of community college districts shall be submitted by December 31, 2008). If a contractor receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit shall be conducted and submitted biennially, unless there is evidence of fraud or other violation of state law in connection with the contract.

In addition to the audit required by the preceding paragraph, non-school district contractors shall also submit an audit for the current year's contract period by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by the CDE, unless the contract is terminated during the contract period, in which case the audit required under this paragraph shall cover the period from the beginning of the contract through the date of termination.

VII. CONTRACT CLASSIFICATIONS

A. Clear Status

Contractors that are in full compliance with applicable laws, regulations and contract provisions are awarded clear contracts.

B. Provisional Status

New contractors and contractors with new contracts shall be on "provisional" status (stamped on the face sheet of the contract) for a period of not less than twelve (12) months. Contractors on provisional status shall submit monthly fiscal reports to the CDFS

C. Conditional Status

Contractors receiving "conditional" contracts (stamped on the face sheet of the contract) shall be on conditional status until the CDE issues a contract rider formally clearing the contract as specified in Section IX.D below. While on conditional status the contractor shall submit monthly fiscal reports to the CDFS. The first monthly report shall include a current inventory of equipment purchased in whole or in part with contract funds.

VIII. TERMINATION, SUSPENSION AND MAJOR REDUCTIONS IN CONTRACT PAYMENTS

A. Independent Appeal Procedures

Pursuant to the requirements of *Education Code* Sections 8400 through 8409, an independent appeal procedure shall be available to any contractor whose contract is terminated or suspended, or whose total reimbursable contract amount is reduced by four percent (4%) or \$25,000, whichever is less. Such appeals shall be heard by independent hearing officers in accordance with procedures established by the Office of Administrative Hearings (OAH) as specified in *California Code of Regulations*, Title 1 Sections 1121 through 1126, described below in Section VIII.B.

Termination or suspension of a contract during the contract period may occur when:

1. A contractor fails to correct items of fiscal or programmatic noncompliance within six (6) months of receiving a conditional contract which includes an addendum stating the specific items of noncompliance and the corrective actions necessary to come into compliance; or
2. A contractor engages in serious misconduct posing an immediate threat to health and safety or to State funds for any of the reasons listed in *Education Code* Section 8406.7; or
3. A contractor fails or refuses to make available for examination or copying by an authorized employee of the California Department of Education

**CALIFORNIA DEPARTMENT OF EDUCATION**

1430 N Street

Sacramento, CA 95814-5901

F.Y. 08 - 09

DATE: July 01, 2008

CONTRACT NUMBER: CLPC-8019

PROGRAM TYPE: LOCAL PLANNING COUNCIL

PROJECT NUMBER: 19-2419-00-8

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES**CONTRACTOR'S NAME:** LOS ANGELES COUNTY BOARD OF SUPERVISORS

By signing this agreement and returning it to the State, you are agreeing to use the funds identified below for support pertaining to Local Child Care Planning and Development Council (LCCPDC) priorities and activities as they relate to child care and in accordance with the Exhibit B, Local Child Care and Development Planning Council Contract Requirements (available online at <http://www.cde.ca.gov/fg/aa/cd/>). The contractor's signature also certifies compliance with "Standard Provisions for State Contracts", (Exhibit A) which by this reference is incorporated herein.

Funding of this contract is contingent upon appropriation and availability of funds. This contract may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this contract. Funding under this agreement cannot be spent for any expenditure prohibited by the Contract Requirements or Title 5, Division 19, California Code of Regulations. The period for which expenditures may be made with these funds shall be from July 1, 2008 through June 30, 2009. Cash and/or in-kind services must be provided by meeting the Match Requirement amount identified below. The Maximum Reimbursable Amount (MRA) payable pursuant to this agreement shall not exceed \$417,199.00.

Expenditures of these funds shall be reported quarterly to the Child Development Fiscal Services Division (CDFS) on Form CDFS-9529 with fiscal quarters ending September 30th, December 31st, March 31st and June 30th. For non-local educational agencies, expenditures for the period July 1, 2008 through June 30, 2009 shall be included in the 2008-2009 audit due the 15th day of the fifth month following the end of the contractor's fiscal year or earlier if specified by CDE. The audits for School Districts and County Offices shall be submitted in accordance with Education Code Section 41020. The Summary of Activities Report (CD-6002), Expenditure Report (CD-6003), Certification Statement Regarding Composition of LPC Membership (CD-3020), and Revenue & Expenditure Report (CDFS/CD-9529) must all be completed and submitted in accordance with Exhibit B, Local Child Care and Development Planning Council Contract Requirements. Failure to submit these reports in a timely manner will result in a billing of the full amount of the contract.

SERVICE REQUIREMENTS: Match Requirement \$64,000.00

Any provision of this contract found to be in violation of Federal or State statute or regulation shall be invalid but such a finding shall not affect the remaining provisions of this contract. Exhibit A, Standard Provisions for State Contracts attached.

STATE OF CALIFORNIA		CONTRACTOR	
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)	
PRINTED NAME OF PERSON SIGNING Margie Burke		PRINTED NAME AND TITLE OF PERSON SIGNING YVONNE B. BURKE, CHAIR	
TITLE Manager, Contracts & Purchasing Svcs		ADDRESS	
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 353,199	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE	
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	(OPTIONAL USE) See Attached	Department of General Services use only	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 353,199	ITEM See Attached	CHAPTER	STATUTE
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702	FISCAL YEAR	
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER See Attached		DATE	

CONTRACTOR'S NAME: LOS ANGELES COUNTY BOARD OF SUPERVISORS

CONTRACT NUMBER: CLPC-8019

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 327,041	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Federal		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE) 0656 13946-2419	FC# 93.575	PC# 000326	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 327,041	ITEM 30.10.020.920 6100-196-0890	CHAPTER B/A	STATUTE 2008	FISCAL YEAR 2008-2009
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5055 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 26,158	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE General		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE) 0656 24771-2419			
TOTAL AMOUNT ENCUMBERED TO DATE \$ 26,158	ITEM 30.10.020.920 6100-196-0001	CHAPTER B/A	STATUTE 2008	FISCAL YEAR 2008-2009
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6045 Rev-8590			

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By _____
Deputy

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.	T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER	DATE	

STANDARD PROVISIONS FOR STATE CONTRACTS

1. The Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
2. Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.
3. The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
4. This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
5. Time is of the essence in this Agreement.
6. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
7. The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
8. Contractors entering into a contract funded wholly or in part with funds from the United States Government agree to amendments in funding to reflect any reductions in funds if the Congress does not appropriate sufficient funds. In addition, the contract is subject to any restrictions, limitations or enactments of congress which affect the provisions, terms or funding of this agreement in any manner. The State shall have the option to terminate the contract without cost to the State in the event that Congress does not appropriate funds or a United States agency withholds or fails to allocate funds.

Contractor Certification Clauses

The authorized signer of this Contract CERTIFIES UNDER PENALTY OF PERJURY that he/she are duly authorized to legally bind the Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

1. **NON-DISCRIMINATION CLAUSE:** During the performance of this Agreement, Contractor and its subcontractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (*Government Code* Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (*California Code of Regulations*, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing *Government Code* Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the *California Code of Regulations*, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement. (Not applicable to public entities.)

EXHIBIT B

**LOCAL CHILD CARE AND DEVELOPMENT
PLANNING COUNCIL
PROGRAM**

CLPC

CONTRACT REQUIREMENTS

July 1, 2008 – June 30, 2009

LOCAL CHILD CARE AND DEVELOPMENT PLANNING COUNCIL PROGRAM
Fiscal Year 2008-09

These are the requirements for fiscal year 2008-09. Each contractor is required, as a condition of its contract with the California Department of Education (CDE), Child Development Division (CDD), to adhere to these requirements, and any other requirements incorporated into the contract, in addition to all other applicable laws and regulations. Any variance from this contract, the requirements, laws or regulations could be considered a noncompliance issue and subject the contractor to possible termination of the contract.

Any change of these requirements that are binding on the State and the contractor must be in writing, in advance, from the CDE in the form of a formal contract amendment. Any interpretation of the requirements must be in writing from the CDE and signed by the director of the CDD.

Contractors may adopt any reasonable policies relating to the program that are not in conflict with law, regulations or the terms of this contract. Those potentially affected shall be duly notified and due process, if applicable, shall be assured.

Child Care and Development Contracts are funded with state general funds, federal funds, or a combination of funds. The funding amounts are listed on the contract encumbrance page.

This contract may be fully or partially funded through a grant from the federal Department of Health and Human Services and subject to *Code of Federal Regulations (CFR)* 45, Parts 98 and 99, the Child Care and Development Block Grant Act of 1990, as amended, and Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 USC 9858. If the Catalogue of Federal Domestic Assistance (CFDA) number is 93596 (shown as FC# in the funding block), the fund title is Child Care Mandatory and Matching Funds of the Child Care and Development Fund. If the CFDA number is 93575, the fund title is Child Care and Development Block Grant subject to the Child Care and Development Block Grant Act of 1990, the Omnibus Budget Reconciliation Act of 1990, Section 5082, Public Law 101-508, as amended, Section 658J and 658S, and Public Law 102-586.

I. DEFINITIONS

"Actual and allowable net costs" means the costs which may be reimbursed under a particular child development contract after disallowed costs and restricted income have been subtracted from total expenditures.

"Additional funds" means award of new contracts or expanded contracts that increase the contractor's level of administrative responsibility. Cost of living adjustments, rate increases and one-time-only supplemental funds (support Contracts) are not considered to be "additional funds."

"Administrative costs" means costs incurred for administrative activities where neither the family, the child nor, if applicable, family child care home service providers directly benefit from the activity.

"Approved indirect cost plan" means that the annual agency audit does not include any management findings regarding the development or the application of the plan.

"Use allowance" means an alternate method for claiming the use of the contractor's assets as a cost when depreciation methods are not used.

II. GENERAL PROVISIONS

A. Notification of Address Change

1. Contractors shall notify the CDD in writing of any change in mailing address for communication regarding the contract (administrative address) within ten (10) calendar days of the address change. For non-public agencies, the notification must be accompanied with:
 - a. Board minutes verifying the change in address; and
 - b. A copy of the notification to the Internal Revenue Service of the address change.
2. Contractors shall notify the CDD in writing of any proposed change in operating facility address(s) at least thirty (30) calendar days in advance of the change unless such change is required by an emergency such as fire, flood or earthquake.
3. For proposed site changes for Prekindergarten and Family Literacy Part-and Full-Day programs, a request must be submitted to the CDD and shall include:
 - a. The name and address of the current program location;
 - b. The name and address of the proposed program location;
 - c. Verification that the proposed program location is within the attendance area of an elementary school with a decile ranking of 1 to 3, inclusive, based on the 2005 base Academic Performance Index; and
 - d. The site license for the proposed program location.

Approval shall be granted upon receipt of documentation confirming that the proposed program location meets the statutory requirements as specified in *Education Code* Section 8238.4(a)(2). The CDD shall approve or deny the request within thirty (30) calendar days of receipt of the request.

B. Notification of E-mail Contact Changes

Contractors shall assure that at all times the e-mail address on file at the CDD is accurate for contacting the following individuals:

1. Executive Officer
2. Program Director

Contractors shall utilize procedures provided by the CDD to electronically add new addresses or delete old addresses, as needed.

terminate the contract at least ninety (90) calendar days prior to the date the contractor intends to terminate the contract. Within fifteen (15) days from the date the contractor notifies the CDD of its intent to terminate the contract, the contractor shall submit:

- a. Current inventory of equipment purchased in whole or in part with contract funds
- b. The names, addresses and telephone numbers of all families served by the contract and all staff members funded by the contract
- c. Contractors shall also submit the names, addresses, and telephone numbers of all providers of subsidized services funded with subcontracts under the contract

Upon receipt of a notice of intent to terminate, the CDD will transfer the program to another agency as soon as practicable.

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with the contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under the contract.

2. Changes in Laws or Regulations

The CDE/CDD shall notify contractors in writing of changes in laws or regulations prior to the effective date or as soon as possible after enactment. If any laws or regulations are changed substantially during the contract period, the contractor shall have the option to discontinue performance and be relieved of all obligations for further performance.

The contractor has thirty (30) calendar days from receipt of notification of pending changes to notify the CDD in writing of the contractor's intent to terminate if the required changes are unacceptable to the contractor. The contract shall be deemed terminated sixty (60) calendar days after receipt of the notification of the intent to terminate.

G. Applicability of *Corporations Code*

Except for partnerships and sole proprietorships, private contractors shall be subject to all applicable sections of the *Corporations Code* including standards of conduct and management of the organization.

H. Eligibility for Funding

A contractor is not eligible for additional funds, as defined in Section I above, if the contractor has received final notification, as specified in Section VIII.A below, that its contract has been terminated.

1. Prior to consummating the transaction, the governing body should authorize or approve the transaction in good faith and the board should require the interested party, or parties, to make full disclosure to the board both in writing and during the board meeting where the transaction is being discussed.
2. All parties having a financial interest in the transaction should refrain from voting on the transaction and it should be so noted in the board minutes.

If the transaction involves the renting of property, either land or buildings, owned by affiliated organizations, officers or other key personnel of the contractor or their families, the board of directors shall request the interested party to obtain a "fair market rental estimate" from an independent appraiser. If the contractor has no board or is a sole proprietor, the requirement for a "fair market rental estimate" shall also apply. The contractor has the burden of supporting the reasonableness of rental costs. If the property is owned by the contractor, rental costs are not reimbursable and costs may be claimed only as depreciation or use allowance. Any transaction described in this paragraph shall be disclosed by the auditor in the notes to the financial statement in the annual audit.

Rental costs for equipment owned by affiliated organizations, officers or other key personnel of the contractor or their families are allowable only as use or depreciation allowance.

K. Americans with Disabilities Act

By signing this contract, the contractor assures the CDE that it complies with the Americans with Disabilities Act (ADA) of 1990 (42 U.S.C. 12101 et seq.) which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA.

L. Air or Water Pollution Violations (*Government Code*, Section 4477)

By signing this agreement, the contractor swears under penalty of perjury that the contractor is not:

1. In violation of any order or resolution not subject to review promulgated by the state Air Resources Board or an air pollution control district
2. Subject to a cease and desist order not subject to review issued pursuant to Section 13301 of the *Water Code* for violation of waste discharge requirements or discharge prohibitions
3. Finally determined to be in violation of provisions of federal law relating to air or water pollution

M. Recycled Paper Certification (*Public Contract Code* sections 10233, 10308.5, 10354, 12161 and 12200)

P. Computer Software Copyright Compliance

By signing this agreement, the contractor certifies that it has appropriate systems and controls in place to ensure that state (general) and Federal funds will not be used in the performance of this contract for the acquisition, operation or maintenance of computer software in violation of copyright laws.

Q. Priority Hiring Consideration (Public Contract Code 10353)

If the contract includes services in excess of \$200,000, the contractor shall give priority consideration in filling vacancies in positions funded by the contract to qualified recipients of aid under the *Welfare and Institutions Code* Section 11200.

R. Labor Code/Workers' Compensation (*Labor Code* Section 3700)

Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement.

S. Corporate Qualifications to do Business in California

1. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.
2. "Doing business" is defined in *Revenue and Taxation Code (R&TC)* Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
3. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

III. FACILITIES AND EQUIPMENT

A. Depreciation and Use Allowance

Taxes, insurance and maintenance may be claimed as part of actual and allowable costs for buildings or building improvements related to the child development program and equipment necessary for the operation of the program. Within the limits specified below, depreciation or use allowance may also be claimed. Depreciation shall not be claimed on land, donated assets or assets purchased with public funds, on any fully depreciated asset or on idle or

program as long as it has a contract with the CDE/CDD and shall not encumber the property without the prior written approval of the CDD. If the contractor wishes to share the use of real property among multiple programs, the associated reimbursable capital expenditures shall be prorated among the programs according to the benefits received. When the real property is no longer needed for the purpose of any CDD program, the contractor shall request disposition instructions from the CDD, which shall observe one of the following three disposition instructions:

1. The CDD may permit the contractor to retain title without further obligation to the CDD after the contractor compensates the CDD for that percentage of the current fair market value of the property, net of reasonable and necessary selling costs, attributable to the CDD's share of the acquisition cost.
2. The contractor may be directed to sell the property under guidelines provided by the CDD and pay the CDD for that percentage of the current fair market value of the property, net of reasonable and necessary felling and fix-up costs, attributable to the CDD's share of the acquisition cost.
3. The contractor may be directed to transfer title to the property to the CDE or to an eligible third party, provided that, in such cases, the contractor shall be entitled to compensation for its attributable percentage of the current fair market value of the property.

C. Equipment Bidding and Approval Requirements

All equipment purchases in excess of seven thousand five hundred dollars (\$7,500) per item (including tax) shall be approved in writing in advance by the CDD. In determining if an equipment purchase exceeds the threshold, all expenses associated with a purchase that are necessary for it to perform the intended purpose should be included in calculating the purchase cost. Example: A computer system could include, but is not limited to, individual items such as a central processing unit (CPU), computer monitor, computer stand, modems, disk drives, software, printer, etc. or hardware and software to install a local area network (LAN) system.

In addition, the following requirements apply:

1. Private agencies:

All equipment purchases exceeding five thousand dollars (\$5,000 including tax) will not be approved unless at least three (3) bids or estimates have been obtained.

2. Public agencies:

Public agencies shall comply with the applicable sections of the Public Contract Code.

has a contract with the CDE, the contractor shall dispose of the equipment in accordance with written directions from the CDE/CDD.

IV. SUBCONTRACTS

A. Subcontracts Excluded from Requirements of this Section

The following types of relationships are not subject to the requirements contained in Section IV:

1. Employment agreements
2. Facility rental or lease agreements
3. Medical or dental service agreements
4. Bookkeeping/auditing agreements, except for Section IV.B
5. Janitorial and grounds keeping agreements
6. A subcontract with a public agency
7. Subcontracts with an individual for less than ten thousand dollars (\$10,000), except for Section IV.B.

However, no subcontract shall in any way relieve the contractor of any responsibility for performance under this contract.

All subcontracts, rental agreements, and other contractual arrangements should include a termination for convenience clause permitting termination of such agreements without cost to the contractor.

B. Bids for Subcontracts

Private contractors shall obtain at least three (3) bids or estimates for subcontracts that exceed five thousand dollars (\$5,000). The subcontract shall be awarded to the lowest responsible bidder. If three (3) bids or estimates cannot be obtained, the private contractor shall:

1. Maintain documents in its records that establish the reasons why three (3) bids or estimates could not be obtained
2. The reasonableness of the proposed expenditure without three (3) bids or estimates

Subcontracts subject to the approval of the CDD shall be rebid at least once every three (3) years or more often if specified by the CDD in its annual approval of the subcontract. Public agencies shall award subcontracts in accordance with the *Public Contract Code*. The contractor shall not split subcontracts to avoid competitive bidding requirements. Subcontracts for direct child development services between a public agency contractor and a private subcontractor are exempt from bidding but not from advance approval by the CDD if they are for ten thousand dollars (\$10,000) or more.

Subcontracts for auditing and/or bookkeeping services shall be rebid and changed every five (5) years unless retention of the same auditor is approved by the A&I.

- maximum dollar amount
3. The service(s) to be provided under the subcontract
 4. The responsibilities of each party under the subcontract
 5. That the subcontractor, and the agents and employees of the subcontractor, in the performance of the subcontract, are acting in an independent capacity and not as officers or employees or agents of the State of California
 6. That modifications of the subcontract shall be in writing, and that for subcontracts in excess of the amount stated in the annual child development contract, prior written CDD approval is required unless the subcontract is otherwise exempt from prior CDD approval
 7. That the subcontract is the complete and exclusive statement of the mutual understanding of the parties and that the subcontract supersedes and cancels all previous written and oral agreements and communications relating to the subject matter of the subcontract
 8. Remedies, in case of a breach of contract, for subcontracts in excess of ten thousand dollars (\$10,000)
 9. That the State of California retains title to any equipment or supplies purchased with State funds and that the equipment shall be returned to the contractor upon termination of the subcontract. The subcontract shall also specify that the subcontractor shall obtain prior written approval from the contractor and the CDD for any unit of equipment that costs in excess of seven thousand five hundred dollars (\$7,500)
 10. That the subcontractor shall be reimbursed for travel and per diem expenses only at rates that do not exceed the rates paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1
 11. That the subcontractor agrees to indemnify and hold harmless the State of California, its officers, agents and employees from any and all claims and losses occurring or resulting to any and all contractors, subcontractors, materialmen, laborers and any other person, firm or corporation furnishing or supplying work, services, materials or supplies in connection with the performance of the subcontract, and from any and all claims and losses occurring or resulting to any person, firm or corporation that may be injured or damaged by the subcontractor in the performance of the subcontract
 12. For management and/or direct service subcontracts, the subcontractor shall maintain records for program review, evaluation, audit and/or other purposes and make the records available to agents of the State for a period of five (5) years
 13. The provisions of the "Nondiscrimination Clause" included in the prime contract as specified in Title 2 California *Code of Regulations*, Chapter 5, Section 8107

E. Recommended Subcontract Provisions

The following items are suggested for inclusion in subcontracts to protect the interests of the contractor:

1. Funding of the subcontract should be made subject to the appropriation and availability of funds from the State.

C. Administrative Costs

Contractors may claim administrative costs as defined in Section I above which are directly related to the provision of child care and development services. Reimbursement of administrative costs shall not exceed fifteen percent (15%) of net reimbursable program costs or actual administrative costs, whichever is less. The fifteen percent (15%) includes any allowance for indirect costs and audits. Contractors shall maintain written documentation of the rationale used in determining direct and administrative costs.

D. Costs for Travel and Per Diem

Contractors and subcontractors shall be reimbursed for travel and per diem expenses at rates not exceeding those amounts paid to the CDE's non-represented employees computed in accordance with State Department of Personnel Administration regulations, Title 2 California *Code of Regulations*, Subchapter 1. Contractors with collective bargaining agreements allowing higher rates of reimbursement shall not pay the difference out of contract funds. The CDD shall notify the contractor of a change in expense rates within thirty (30) calendar days after the CDD has received notification of a change in rates from the State Department of Personnel Administration.

Contractors shall be reimbursed for out-of-state travel expenses only with prior written approval from the CDD. The CDD shall not approve out-of-state travel expenses:

1. For more than one employee per contract per year
2. For contractors with delinquent accounts payable which are delinquent more than ninety (90) calendar days after the date of the original invoice
3. For contractors on conditional status
4. When there is no clear benefit to the State
5. When the benefit to the State can be obtained within California

The CDD shall approve or deny the request for out-of-state travel within thirty (30) calendar days of the receipt of the request. If the request is denied, the contractor may appeal the decision in accordance with instructions specified in Section X below.

E. Specific Items of Reimbursable Costs

Reimbursable costs include, but are not limited to, the following:

1. Administrative costs as specified in Section V.C above
2. Employee compensation, including fringe benefits, and personal service contracts
3. Equipment and equipment replacement with prior CDD approval if required in Section III.C above
4. Taxes, insurance, and maintenance for building and/or equipment
5. Depreciation based on the useful life of an asset in accordance with Section III.A above.

obligations. However, the cost of the annual independent audit may be claimed either in the contract period which was the subject of the audit or during the contract period in which the audit is completed.

H. Recoupment of Advanced Contract Funds

The CDE shall recoup any payments made for costs which were not reasonable and necessary. The amount that is recouped shall be the excess payment over the reasonable or fair market value, or one hundred percent (100%) of the cost, if the cost was not necessary. The CDE may elect to recover any costs of recoupment, including collection services or attorney fees.

I. Determination of Reimbursable Amount

Contractors shall be reimbursed for an audited claim that is the least of the following:

1. The maximum reimbursable amount as stated in the annual child development contract
2. The actual and allowable net costs

J. Reduction, Withholding, and Canceling Apportionments to Contractors

The CDE shall reduce, withhold or cancel any scheduled apportionment when one or more of the following conditions exist:

1. The contractor has not submitted an acceptable audit for any prior year of operation on or before the date due.
2. The contractor has not submitted the reports required by Section VI below on or before the date due.
3. The contractor will not earn the full contract amount based on the current year projected net reimbursable program costs as determined by the CDFS.
4. A creditor of the contractor has placed a lien on the contractor's scheduled apportionments.
5. The contractor has accounts payable which are:
 - a. more than ninety (90) days delinquent to the CDE; and
 - b. not under appeal as specified in either Section VIII.A or Section X below.

If any apportionment is to be reduced, withheld or cancelled, the CDE shall provide the contractor prior written notice of the intended action.

K. Order of Expenditure

Expenditure from the Child Development Fund established pursuant to Section VI.B below shall occur in the following order:

D. Other Report Data

Contractors shall submit statistical, cost and program data as requested by the CDE in order for the CDE to prepare various legislatively mandated reports, to meet state and federal reporting requirements and for the effective administration of child care and development programs.

Contractors submitting data to the CDE will include a certification that the data are correct and complete, and the signature of the person authorized by the contractor to certify the data. The signature may be electronic as specified by the CDE.

Contractors shall submit complete, accurate data to the CDE by the data specified, and as specified, in the CDE's request for this information. Incomplete, inaccurate, or incorrectly formatted reports, and reports not received by the required date shall be considered delinquent. Penalties for delinquent reporting are specified in Section V.J. above.

E. Audits and Auditors

Contractors shall submit to the CDE's and Investigations Division (A&I) an acceptable annual financial and compliance audit. All audits shall be performed by:

1. A Certified Public Accountant who possesses a valid license to practice within the State of California
2. A Public Accountant licensed on or before December 31, 1970 and currently certified and licensed by the State of California
3. A member of the CDE's staff of auditors
4. Public agencies may have their audits prepared by in-house auditors if the public contractor has internal audit staff that performs auditing functions and meets the tests of independence found in the Government Auditing Standards issued by the Comptroller General of the United States.

Non-school district contractors shall submit the audit for the 2007-2008 contract periods by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by CDE (audits of community college districts shall be submitted by December 31, 2008). If a contractor receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit shall be conducted and submitted biennially, unless there is evidence of fraud or other violation of state law in connection with the contract.

In addition to the audit required by the preceding paragraph, non-school district contractors shall also submit an audit for the current year's contract period by the 15th day of the fifth month following the end of the contractor's fiscal year, or earlier if specified by the CDE, unless the contract is terminated during the contract period, in which case the audit required under this paragraph shall cover the period from the beginning of the contract through the date of termination.

VII. CONTRACT CLASSIFICATIONS

A. Clear Status

Contractors that are in full compliance with applicable laws, regulations and contract provisions are awarded clear contracts.

B. Provisional Status

New contractors and contractors with new contracts shall be on "provisional" status (stamped on the face sheet of the contract) for a period of not less than twelve (12) months. Contractors on provisional status shall submit monthly fiscal reports to the CDFS

C. Conditional Status

Contractors receiving "conditional" contracts (stamped on the face sheet of the contract) shall be on conditional status until the CDE issues a contract rider formally clearing the contract as specified in Section IX.D below. While on conditional status the contractor shall submit monthly fiscal reports to the CDFS. The first monthly report shall include a current inventory of equipment purchased in whole or in part with contract funds.

VIII. TERMINATION, SUSPENSION AND MAJOR REDUCTIONS IN CONTRACT PAYMENTS

A. Independent Appeal Procedures

Pursuant to the requirements of *Education Code* Sections 8400 through 8409, an independent appeal procedure shall be available to any contractor whose contract is terminated or suspended, or whose total reimbursable contract amount is reduced by four percent (4%) or \$25,000, whichever is less. Such appeals shall be heard by independent hearing officers in accordance with procedures established by the Office of Administrative Hearings (OAH) as specified in *California Code of Regulations*, Title 1 Sections 1121 through 1126, described below in Section VIII.B.

Termination or suspension of a contract during the contract period may occur when:

1. A contractor fails to correct items of fiscal or programmatic noncompliance within six (6) months of receiving a conditional contract which includes an addendum stating the specific items of noncompliance and the corrective actions necessary to come into compliance; or
2. A contractor engages in serious misconduct posing an immediate threat to health and safety or to State funds for any of the reasons listed in *Education Code* Section 8406.7; or
3. A contractor fails or refuses to make available for examination or copying by an authorized employee of the California Department of Education

4. Request for Additional Written Materials on File at CDE

Contractors may request, in writing, any public documents on which the CDE intends to rely from the CDE files at a cost of six (6) cents per page, payable in advance. The CDE will mail the material requested not later than ten (10) days from the receipt of the request.

C. Contractor's Responsibility After Notice of Termination

After receiving notice of the CDD's decision to terminate the contract or to make no offer of continued funding, the contractor shall submit copies to or make available for copying by the CDD all of the following:

1. A current inventory of equipment purchased in whole or in part with contract funds
2. The names, addresses and telephone numbers of all staff members funded by the contract

The State shall only be obligated to compensate the contractor for net reimbursable program costs in accordance with this contract through the date of termination. There shall be no other compensation to the contractor. The State shall offset any monies the contractor owes the State against any monies the State owes under this contract.

IX. CONTRACT STATUS CHANGE PROCEDURES

A. Administrative Review of Changes in Contract Status

Contract performance shall be reviewed at least annually by CDD staff who shall determine by April 1 of each year whether to offer continued funding on a clear contract, continued funding on a conditional basis or to make no offer of continued funding.

If the staff recommends conditional status or no offer of continued funding, the contractor shall be notified in writing of the reasons for the proposed change in contract status by April 7. The notice of proposed action shall be sufficiently specific to allow the contractor to respond to the factual basis for the proposed action.

If the contractor disagrees with the proposed action, the contractor's response shall be received by the CDD within ten (10) calendar days of receipt of the notice of proposed action. The contractor's response shall include any written materials in support of its position and, if the contractor intends to make an oral presentation, the response shall so specify.

If the action is being appealed, the staff recommendation and the contractor's response shall be reviewed by an administrative review panel convened by the Director of the CDD within seven (7) calendar days of receipt of the contractor's

1. The specific item(s) of noncompliance which the contractor must correct
2. The specific corrective action(s) which must be taken
3. The time period within which the contractor must complete the corrections
4. Notice that failure to make required corrections will result in termination of the contract or no offer of continued funding

If the contractor is placed on conditional status during the contract period a Conditional Status Addendum will be issued by the CDE and the Conditional Status Addendum shall be considered a part of the annual child development contract and binding on the contractor.

D. Duration of Conditional Contract Status

A contractor shall remain on conditional contract status until the contractor has corrected deficiencies and/or has met requirements identified in the Conditional Status Addendum. A contractor with a repayment plan shall remain on conditional contract status and not receive any apportionments until full repayment is made.

A contractor on conditional contract status that is not on a repayment plan shall remain in that status until:

1. The CDE issues written notice to the contractor that the conditional status has been cleared;
2. The contractor is issued a clear contract; or
3. The contract terminates according to its terms

A contractor may request written verification from the CDD that some of the deficiencies have been corrected even if the contractor will not be removed from conditional contract status.

X. RESOLUTION OF CONTRACT ADMINISTRATION DISPUTES

The procedure specified in this Section shall be used to resolve disputes between contractors and the CDE that may arise regarding the interpretation and application of any term or condition of a contract, including, but not limited to, requests for waivers, approval of subcontracts or expenditures requiring approval, requests for reimbursement rate adjustments, or reductions in the total amount of contract reimbursement that are not appealable under Section VIII.A above.

The contractor shall attempt to resolve contract disputes at the lowest staff level within the CDE. If the dispute is not resolved at the lowest staff level, the contractor may appeal the decision by submitting a written description of the issues and the basis for the dispute to the Regional Administrator of the CDD having jurisdiction over the contractor's service delivery area. The Regional Administrator shall make a determination and shall send a written notification of the decision to the contractor, together with the reasons for the decision, within thirty (30) calendar days of the receipt of the appeal by the Regional Administrator.

representation:

1. 20 percent consumers, defined as a parent or person who receives, or who has received within the past 36 months, child care services.
2. 20 percent child care providers, defined as a person who provides child care services or represents persons who provide child care services.
3. 20 percent public agency representatives, defined as a person who represents a city, county, city and county, or local education agency.
4. 20 percent community representatives, defined as a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community-based organizations but is not a child care provider and does not represent an agency that contracts with the CDE to provide child care and development services.
5. The remaining 20 percent are to be appointed from any of the above categories or outside of these categories at the discretion of the appointing agencies.

The CBS and CSS are each to appoint one-half of the LPC members. In the case of uneven membership, both appointing entities will agree on the odd-numbered appointee.

No member of the LPC shall participate in a vote if he or she has a proprietary interest in the outcome of the matter.

The LPC is required to adhere to the requirements in the Ralph M. Brown Act; *Government Code*, sections 54950-54963, in the conduct and public notification of LPC meetings scheduled.

C. LPC Responsibilities

When legislation does not identify specific target populations or geographic areas to be served in allocating expansion funds, the CDD will use the LPC priorities for the purpose of allocating new state and federal funds within each county. Priorities shall be submitted in accordance with *Education Code*, Section 8499.5.

The priorities shall be identified in a manner that ensures that all child care needs in the county are met to the greatest extent possible. To accomplish this, the LPC shall do all of the following:

1. Elect a chair
2. Employ, as an LPC Coordinator, staff person(s) equivalent to at least one full-time position. The LPC Coordinator shall assist the LPC in meeting the mandates set forth in Title 1, Division 1, Part 6, Chapter 2.3 of the *Education Code*. Additionally, the LPC shall employ support staff as deemed necessary to meet LPC roles and responsibilities.
3. Conduct an assessment of child care needs at least once every five years. The needs assessment shall meet the requirements as specified in *Education Code*, Section 8499.5(b).
4. Document information gathered during the needs assessment which shall

to possible termination of the contract.

Activities Timeline

Report/Activity	Due Date	Reporting Period
Fiscal Plan/Yearly Budget	September 28, 2008	Fiscal Year 2008/09
CD-6002-Revised Quarterly Summary of Activities Report	1 st Qtr: October 17, 2008 2 nd Qtr: January 16, 2009 3 rd Qtr: April 21, 2009 4 th Qtr: July 20, 2009	Jul. 1, 2008 – Sep. 30, 2008 Oct. 1, 2008 – Dec. 31, 2008 Jan. 2, 2009 – Mar. 31, 2009 Apr. 1, 2009 – Jun. 30, 2009
CDFS-9529-Submit Quarterly Revenue and Expenditure Reports	1 st Qtr: October 17, 2008 2 nd Qtr: January 16, 2009 3 rd Qtr: April 17, 2009 4 th Qtr: July 20, 2009	Jul. 1, 2008 – Sep. 30, 2008 Jul. 1, 2008 – Dec. 31, 2008 Jul. 1, 2008 – Mar. 31, 2009 Jul. 1, 2008 – Jun. 30, 2009
CD-3020-Certification Statement Regarding Composition Of LPC Membership	January 16, 2009	
Changes to: • bylaws • previously submitted needs assessments • comprehensive countywide child care plan	Within 4 weeks after approval	
Attend periodic Technical Support Meetings (LPC Coordinator Meetings)	October 2008 February 2009 May 2009	Times and locations will be announced
CD-3022LPC County Priorities Report	May 30, 2009	For use in allocating 2008-09 Expansion Funding

The **Expenditure and Revenue Report Form (CDFS- 9529)** shall be submitted directly to your assigned fiscal analyst at:

California Department of Education
Child Development Fiscal Services
1430 N Street, Suite 2213
Sacramento, CA 95814

The **Revised Quarterly Program Activities Reports (Revised CD 6002)** may be submitted electronically and the **Annual Self-Review Documents** must be submitted by

ATTACHMENT C

RESOLUTION

This resolution must be adopted in order to certify the approval of the Governing Board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize the designated personnel to sign contract documents for Fiscal Year 2008/09.

RESOLUTION

BE IT RESOLVED that the Governing Board of the County of Los Angeles

authorizes entering into local agreement number/s CIPC-8019 and that the person/s who is/are listed below, is/are authorized to sign the transaction for the Governing Board.

<u>NAME</u>	<u>TITLE</u>	<u>SIGNATURE</u>
<u>William T Fujioka</u>	<u>Chief Executive Officer</u>	
<u>Sharon R. Harper</u>	<u>Chief Deputy</u>	

PASSED AND ADOPTED THIS _____ day of _____ 2008/09, by the
Governing Board of _____
of _____ County, California.

I, _____, Clerk of the Governing Board of
_____, of _____, County,

California, certify that the foregoing is a full, true and correct copy of a resolution adopted by the said Board at a _____ meeting thereof held at a regular public place of meeting and the resolution is on file in the office of said Board.

(Clerk's signature)

(Date)

ATTACHMENT D

CERTIFICATIONS REGARDING LOBBYING; DEBARMENT, SUSPENSION AND OTHER RESPONSIBILITY MATTERS; AND DRUG-FREE WORKPLACE REQUIREMENTS

Applicants should refer to the regulations cited below to determine the certification to which they are required to attest. Applicants should also review the instructions for certification included in the regulations before completing this form. Signature on this form provides for compliance with certification requirements under 45 CFR Part 93, "New restrictions on Lobbying," and 45 CFR Part 76, "Government-wide Debarment and Suspension (Non procurement) and Government-wide requirements for Drug-Free Workplace (Grants)." The certifications shall be treated as a material representation of fact upon which reliance will be placed when the Department of Education determines to award the covered transaction, grant, or cooperative agreement.

1. LOBBYING

As required by Section 1352, Title 31 of the U.S. Code, and implemented at 45 CFR Part 93, for persons entering into a grant or cooperative agreement over \$100,000 as defined at 45 CFR Part 93, Sections 93.105 and 93.110, the applicant certifies that:

(a) No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the making of any federal grant, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal grant or cooperative agreement;

(b) If any funds other than federal appropriated funds have been or will be paid to any person for influencing or attempting to influence an employee of Congress, or any employee of a Member of Congress in connection with this Federal grant or cooperative agreement, the undersigned shall complete and submit Standard Form -LLL, "Disclosure Form to Report Lobbying," in accordance with this instruction;

(c) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subgrants, contracts under grants and cooperative agreements, and subcontracts) and that all subrecipients shall certify and disclose accordingly.

2. DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS

As required by executive Order 12549, Debarment and Suspension, and other responsibilities implemented at 45 CFR Part 76, for prospective participants in primary or a lower tier covered transactions, as defined at 45 CFR Part 76, Sections 76.105 and 76.110.

A. The applicant certifies that it and its principals:

(a) Are not presently debarred, suspended proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;

(b) Have not within a three-year period preceding this application been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction violation of federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements; or receiving stolen property;

(c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and

(d) Have not within a three-year period preceding this application had one or more public transactions (federal, state, or local) terminated for cause or default; and

B. Where the applicant is unable to certify to any of the statements in this certification, he or she shall attach an explanation to this application.

3. DRUG-FREE WORKPLACE (GRANTEES OTHER THAN INDIVIDUALS)

As required by the Drug-Free Workplace Act of 1988, and implemented at 45 CFR Part 76, Subpart F, for grantees, as defined at 45 CFR Part 76, Sections 76.605 and 76.610-

A. The applicant certifies that it will or will continue to provide a drug-free workplace by:

(a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

(b) Establishing an on-going drug-free awareness program to inform employees about-

(1) The danger of drug abuse in the workplace;

(2) The grantee's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;

(c) Making it a requirement that each employee to be engaged in performance of the grant be given a copy of the statement required by paragraph (a);

(d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment under the grant, the employee will -

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation;

(e) Notifying the agency, in writing, within 10 calendar days after receiving notice under subparagraph (d) (2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title,

ATTACHMENT E

CERTIFICATION STATEMENT
REGARDING COMPOSITION OF LPC MEMBERSHIP

Return to:

California Department of Education
Child Development Division
Local Planning Council Team
560 J Street, Suite 220
Sacramento, CA 95814

Due Date:

Annually on January 20

Please complete all information requested below:

County Name: Los Angeles		County Coordinator Name and Telephone Number: Laura Escobedo (213) 974-4102
Membership Categories		
20% Consumers (Defined as a parent or person who receives, or who has received within the past 36 months, child care services.)		
Name of Representative	Address/Telephone Number	Appointment Date and Duration
Susan M. Baxter	266 Melcanyon Road Duarte, CA 91010 (626) 488-5429	September 2008 – August 2011
Kate Andersen	12000 Thermo Street Los Angeles, CA 90066 (310) 397-2655	September 2008 – August 2011
Sandra Menendez	500 Lucas Avenue Los Angeles, CA 90017 (213) 364-0185	September 2007 – August 2010
Nellie Rios-Parra	10319 Firmona Avenue Lennox, CA 90304 (310) 680 - 3500	September 2008 – August 2011
Alicen Vera	5800 Fulton Avenue Valley Glen, CA 91401 (818) 947-2976	September 2007 – August 2010
Patrice Wong	3940 Charlemagne Avenue Long Beach, CA 90808 (562) 591-0509	September 2007 - August 2010
Norayma Cabot	3600 Workman Mill Road Whittier, CA 90601 (562) 908-3494	September 2007 – August 2010
Pat Mendoza	4161 W. 147 th St. Lawndale, CA 90260 (310) 644-8458	September 2007 – August 2010
Sarah Soriano	501 Atlantic Avenue Long Beach, CA 90802 (562) 437-8991 Ext. 13	September 2008 – August 2011
Amy Takanashi	1801 S. Nogales Street Rowland Heights, CA 91748 (626) 935-8421	September 2008 – August 2011

20% Child Care providers (Defined as a person who provides child care services or represents persons who provide child care services.)

Name of Representative	Address/Telephone Number	Appointment Date and Duration
Rosa Arevalo	12120 Wagner Street Culver City, CA 90230 (310) 397-4200 ext 406	September 2006 – August 2009
Anita Britt	4601 Sunset Blvd. #98 Los Angeles, CA 90027 (323) 361-3873	September 2008 – August 2011
Darlene Cabrera	4601 N. Figueroa Street Los Angeles, CA 90065 (323) 222-7114	September 2008 – August 2011
Grace Castro	11460 Bradhurst Street Whittier, CA 90606 (562) 692-8992	September 2007 – August 2010
Joy Cyprian	14033 Ragus Street La Puente, CA 91744 (626) 337-2927	September 2007 – August 2010
Pamela Kwok	3845 Selig Place Los Angeles, CA 90031 (323) 224-3800 ext 227	September 2007 – August 2010
Sylvia Parra	15843 Malden Avenue North Hills, CA 91343 (818) 891-3349	September 2007 – August 2010
Holly Reynolds	1101 W. McKinley Avenue Pomona, CA 91768 (909) 623-3899	September 2006 – August 2009
Ancelma Sanchez	4909 E. Cesar Chavez Avenue Los Angeles, CA 90022 (213) 981-0028	September 2006 – August 2009
Corinne Sanchez	8209 Woodman Avenue Arleta, CA 91331 (818) 830-7133	September 2006 – August 2009

20% Public Agency Representative (Defined as a person who represents a city, county, or local education agency.)

Name of Representative	Address/Telephone Number	Appointment Date and Duration
Holly Daasnes Community Care Licensing	5900 Pasteur Court, STE 125 Carlsbad, CA 92008 (760) 929-3274	September 2007 – August 2010
Alan Guttman Claremont Unified School District	2080 N. Mountain Avenue Claremont, CA 91711 (909) 398-0373	September 2006 – August 2009
Jan Isenberg Los Angeles County Office of Education	9300 Imperial Highway Downey, CA 90242 (562) 922-8913	September 2007 – August 2010
Karen Kirsche Los Angeles USD	333 South Beaudry Avenue Los Angeles, CA 90017 (213) 241-4713	September 2008 – August 2011
Michael Ladjevic Montebello USD	123 S. Montebello Blvd. Montebello, CA 90640 (323) 887-7900 ext 2324	September 2008 – August 2011
Gay Macdonald UCLA, ECE	2007 Pelham Avenue Los Angeles, CA 90025 (310) 206-1861	September 2008 – August 2011

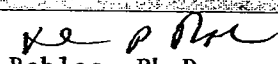
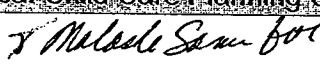
Nurhan Pirim Los Angeles County Department of Public Social Services	12820 Crossroads Parkway City of Industry, CA 91746 (562) 908-6078	September 2007 – August 2010
Jenny Trickey Santa Monica City College	1900 Pico Blvd. Santa Monica, CA 90405 (310) 434-8526	September 2006 – August 2009
Anita Tetrault Glendale Unified School District	223 N. Jackson Street Glendale, CA 91206 (818) 241-3111 ext. 308	September 2006 – August 2009
Robert Wiltse Los Angeles County Department of Children and Family Services	12440 Imperial Hwy. Norwalk, CA 90650 (562) 345-6631	September 2007 – August 2010
20% Community Representative (Defined as a person who represents an agency or business that provides private funding for child care services, or who advocates for child care services through participation in civic or community based organizations but is not a child care provider or CDE funded agency representative.)		
Name of Representative	Address/Telephone Number	Appointment Date and Duration
Noreen Clarke USC/Children's Hospital	4650 Sunset Blvd. #96 Los Angeles, CA 90027 (323) 361-1829	September 2006 – August 2009
Ana Cubas Youth Policy Institute	634 S. Spring Street #818 Los Angeles, CA 90014 (213) 688-2802	September 2008 – August 2011
Bobbie Edwards WestEd/PITC	2823 Sanborn Avenue La Crescenta, CA 91214 (626) 524-1829	September 2006 – August 2009
Lucy Fitzpatrick Public Counsel	610 S. Ardmore Los Angeles, CA 90005 (213) 385-2977 ext.154	September 2008 – August 2011
Leticia Lara Zero to Three	350 S. Bixel Street Los Angeles, CA 90017 (213) 481-7279	September 2007 – August 2010
Patti Oblath Santa Monica Child Care and Early Education Task Force	3487 Wade Street Los Angeles, CA 90066 (310) 452-3325	September 2007 – August 2010
Angelica Solis Alliance for a Better Community	350 S. Bixel Street, STE 180 Los Angeles, CA 90017 (213) 250-0052	September 2007 – August 2010
Kathleen Pompey	12113 Parise Drive Whittier, CA 90604 (562) 907-4937	September 2007 – August 2010
Randi Wolfe LAUP	750 North Alameda Los Angeles, CA 90012 (213) 416-1287	September 2006 – August 2009
Atalaya Sergi Jump Start for Young Children	P.O. Box 361251 Los Angeles, CA 90036 (323) 931-0923	September 2007 – August 2010

20% Discretionary Appointees (Appointed from any of the above categories or outside of these categories at the discretion of the appointing agencies.)

Name of Representative	Address/Telephone Number	Appointment Date and Duration
Rocio Bach Children's Collective	5870 W. Jefferson Blvd. Los Angeles, CA 90016	September 2008 – August 2011
John Berndt LACOE Head Start	10100 Pioneer Blvd. Santa Fe Springs, CA 90670 (562) 940-1770	September 2008 – August 2011
Karen Kaye Child Care Alliance of Los Angeles	2701 Ocean Park Blvd. Santa Monica, CA 90405 (310) 452-3325	September 2007 – August 2010
Wilma Kiel 2 nd District Appointee	3216 Hoover Street Los Angeles, CA 90007 (213) 748-3700	September 2008 – August 2011
Dianne Philibosian 5 th District Appointee	436 South Arroyo Blvd. Pasadena, CA 91105 (626) 440-0585	September 2006 – August 2009
JoAnn Shalhoub Mejia Family Child Care	1320 South Mansfield Avenue Los Angeles, CA 90019 (9323) 935-4035	September 2008 – August 2011
Peggy Sisson City of Pasadena	1020 N. Fair Oaks Avenue Pasadena, CA 91103 (626) 744-6939	September 2008 – August 2011
Julie Taren City of Santa Monica	1685 Main Street Santa Monica, CA 90401 (310) 458-8701	September 2007 – August 2010
Vacancy :Third District		September 2008 – August 2011
Adelina Ruth Sorkin 1 st District Appointee	2354 Kenilworth Avenue Los Angeles, CA 90039 (323) 661-6459	September 2005 – August 2008

Authorized Signatures

We hereby verify as the authorized representatives of the county board of supervisors (CBS), the county superintendent of schools (CSS), and the Local Child Care and Development Planning Council (LPC) chairperson that as of ^(Date) August 5, 2008, the above identified individuals meet the council representation categories as mandated in AB 1542 (Chapter 270, Statutes 1997; California *Education Code* Section 8499.3). Further, the CBS, CSS, and LPC chairperson verify that a good faith effort has been made by the appointing agencies to ensure that the ethnic, racial, and geographic composition of the LPC is reflective of the population of the county.

Authorized Representative - County Board of Supervisors	Telephone Number	Date
Authorized Representative - County Superintendent of Schools	Telephone Number	Date
 Darline P. Robles, Ph.D.	(562) 922-6127	7-17-08
Local Child Care Planning Council Chairperson	Telephone Number	Date
 Holly Reynolds	(909) 623-3899	